Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

Reserve
281.9
R313A

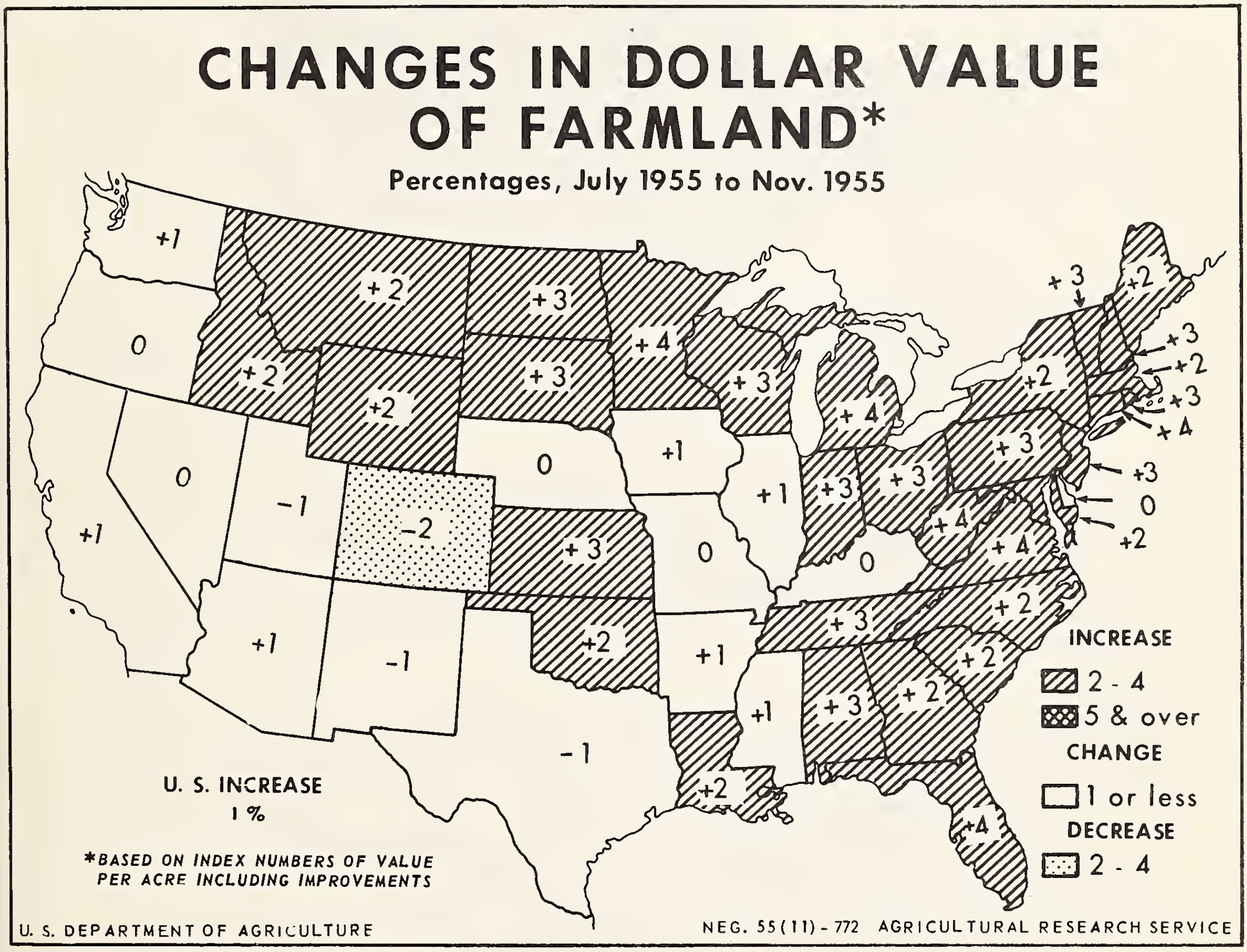
LIBRARY
CURRENT SERIAL RECORD
JUL 1 1956 ★
U.S. DEPARTMENT OF AGRICULTURE

FOR RELEASE
MARCH 16, P. M.

Current Developments in
THE FARM REAL ESTATE MARKET

Agricultural Research Service
UNITED STATES DEPARTMENT OF AGRICULTURE

ARS 43-25 (CD-42) NOVEMBER 1955

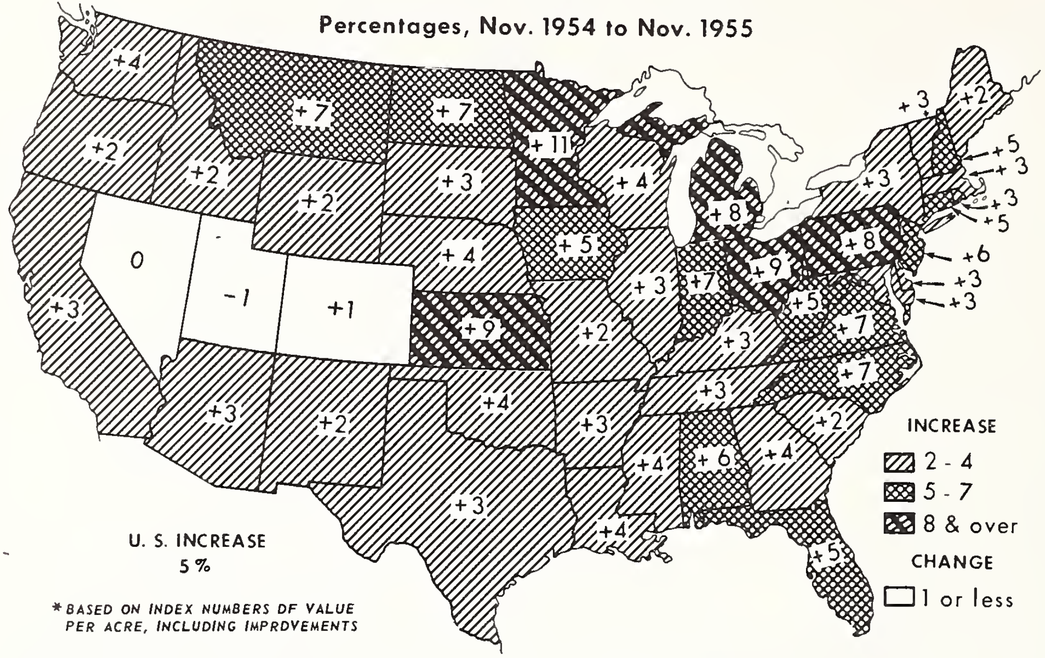

CHANGES IN DOLLAR VALUE OF FARMLAND*
Percentages, July 1955 to Nov. 1955
+1
0
+1
0
-1
+2
+2
+2
-2
+1
-1
-1
+3
+3
0
+3
+2
+4
+1
0
+1
+3
+1
+1
+2
+3
+1
+4
+3
+3
0
+3
+3
+2
+4
+3
+2
+4
+3
+2
+3
+2
+3
+4
+3
0
+2
+3
+2
+4
INCREASE
▨ 2 - 4
▩ 5 & over
CHANGE
☐ 1 or less
DECREASE
░ 2 - 4
U. S. INCREASE
1 %
*BASED ON INDEX NUMBERS OF VALUE PER ACRE INCLUDING IMPROVEMENTS
U. S. DEPARTMENT OF AGRICULTURE
NEG. 55(11) - 772 AGRICULTURAL RESEARCH SERVICE

Farm real estate values continued to advance in most States during the 4 months ended November 1, 1955, although the increase was less than in the preceding 4 months. Increases of 2 to 4 percent occurred in 31 States but values remained essentially unchanged in 16 States. The national index for November advanced to 137 (1947-49 = 100), a new peak and 1 percent above July 1955. The November 1955 level was 3 percent above the previous peak reached in July 1952.

GPO—O—Agri—ARS-173

CHANGES IN DOLLAR VALUE OF FARMLAND*

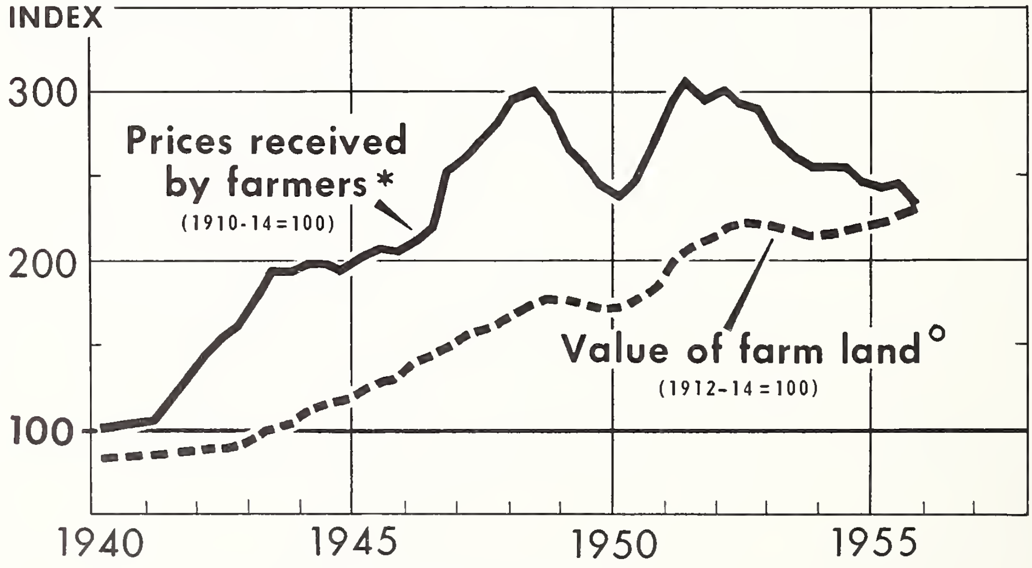
Percentages, Nov. 1954 to Nov. 1955



*BASED ON INDEX NUMBERS OF VALUE PER ACRE, INCLUDING IMPROVEMENTS

U. S. DEPARTMENT OF AGRICULTURE NEG. 55(11)-771 AGRICULTURAL RESEARCH SERVICE

LAND VALUES LAG BEHIND COMMODITY PRICES



* AVERAGE OF FOUR PREVIOUS MONTHLY INDEXES

° DATA FOR 1940 & '41 AS OF MARCH 1; 1942 TO DATE AS OF MAR. 1, JULY 1 AND NOV. 1

U. S. DEPARTMENT OF AGRICULTURE NEG. 56(2)-748 AGRICULTURAL RESEARCH SERVICE

CURRENT DEVELOPMENTS IN THE FARM REAL ESTATE MARKET

Approved by the Outlook and Situation Board, March 6, 1956

SUMMARY

The upturn in farm real estate values which began in the first half of 1954 continued in the 4 months ended November 1, 1955, but the increase was a little less than in March-July. Values increased 2 to 4 percent in 31 States during the latest 4-months period. Most of these States were in the northern plains and mountain areas. Values remained essentially unchanged in 16 States which were primarily in the central portion of the country and in the southern mountain and Pacific Coast areas. Only one State - Colorado - showed a decline. The revised national index advanced to 137 (1947-49 = 100), 1 percent above July and 5 percent above November 1954. In terms of the 1912-14 average, the index for November 1955 was 231.

Values last November averaged higher than a year earlier in all except 2 States - Nevada and Utah. Values were up 5 percent or more in 17 States, while increases ranged up to 4 percent in the remaining 29 States. The total value of farmland and buildings as of November 1 was estimated at $101.8 billion, or an average of nearly $88 per acre for the 1,159 million acres of land in farms.

Continued business prosperity and strong demand by farmers for additional land to enlarge their farms have helped to offset the expected effects of lower commodity prices on land values. Many farmers and non-farmers continue to view farmland as a safe and desirable investment despite current lower returns. Present owners apparently hold similar views and, consequently the number of farms on the market continue at a low level.

Land prices have advanced more since 1947-49 than most other groups of commodities. Land prices in many areas are considered by a majority of local reporters to be above levels that can be justified by current and prospective earnings. They see potential danger for those classes of buyers who must depend on farm income for debt retirement.

Although there are few, if any, of the usual characteristics of a land boom present in the current situation, landowners and prospective buyers face difficult problems of appraising both the immediate and longer term prospects for farm earnings. There are indications that some owners and prospective buyers may be attaching too much importance to the strengthening effects of a growing population and an expanding economy on the long-term demand for farmland. The effects of such factors could be largely offset by new technology, both on the farm and in industry. Expectations of future demands for food and fiber that do not recognize the production potential from such factors may be overly optimistic.

Land Values Advance to New Peak

Although increases in most States from July through November 1, 1955 were generally a little less than in the preceding 4 months, they raised the national index to a new record level of 137 (1947-49 = 100). This was 3 percent above the previous peak reached in July 1952 and 33 percent above 1920. Values have advanced 7 percent since the recent low in November 1953, thus more than offsetting the 4-percent decline that occurred following the previous record high in July 1952.

Increases of 2 to 4 percent in 31 States during the 4 months ended November 1, 1955, brought the indexes for 26 States to new record highs. Previously, the post-Korean rise had set new peaks in all except 4 States - Iowa, Missouri, South Dakota, and Nebraska. Although values in these 4 States last November were above 1952, they were still below 1920. Values in South Dakota were 31 percent below this post-World War I level, and in the other 3 States values were 5 to 8 percent below that level.

Although values have advanced in all States since November 1953, the amount of increase varies appreciably among areas (table 1). Values have increased 10 percent or more in most of the central Corn Belt, and in Pennsylvania, Virginia, North Carolina, and Florida. Minnesota showed the largest increase - 16 percent -, but values were up 12 percent or more in Indiana, Ohio, Michigan, and Florida. Urban and industrial expansion has been particularly important in these States in contributing to the demand for land. Elsewhere, increases averaged about 5 percent, ranging from 3 or 4 percent in the south-central and Mountain States, to 7 to 9 percent in the Great Plains, and Pacific Coast States.

The indexes for 12 States last November were still below their 1952 peaks. Values in Kentucky were 11 percent below that level, and those in Wyoming and Colorado were 5 percent lower. Values in the remaining States were only 1 to 4 percent lower.

Census Shows Larger Increases, 1950-54, than Land Values Index

Preliminary reports from the 1954 Census of Agriculture provide an independent measure of the increase in the value of farm real estate since 1950. Nationally, the census shows that the value of land and buildings per acre increased 29 percent, whereas the USDA index shows an increase of 27 percent between March 1950 and November 1954. According to the census, values were up 35 percent or more in 13 States. Arizona and Florida led with increases of 109 and 97 percent, respectively, while values in Indiana, Georgia, Maryland, Montana, and Washington were up 40 percent or more.

Table 1 .- Percentage change in index of average value of farm real estate per acre, by geographic divisions, selected periods, 1953-55.

Geographic division	Change during year ended			Change during 4 months ended		
	Nov. 1953	Nov. 1954	Nov. 1955	Nov. 1953	Nov. 1954	Nov. 1955
	Percent	Percent	Percent	Percent	Percent	Percent
New England	- 3	- 2	+ 4	- 3	- 2	+ 3
Middle Atlantic	- 3	+ 2	+ 5	- 1	+ 1	+ 2
E. North Central	- 3	+ 5	+ 6	- 1	+ 2	+ 2
W. North Central	- 5	+ 3	+ 5	- 3	+ 2	+ 1
S. Atlantic	0	+ 3	+ 5	- 1	+ 2	+ 3
E. South Central	- 5	0	+ 4	- 4	0	+ 2
W. South Central	- 4	+ 3	+ 2	- 1	+ 2	- 1
Mountain	- 3	+ 2	+ 3	- 1	0	+ 1
Pacific	- 2	+ 3	+ 3	- 1	+ 2	+ 1
United States	- 3	+ 2	+ 5	- 2	+ 1	+ 1

Only 8 States showed gains of less than 15 percent. Most of these were in New England. 1/

State-by-State comparisons of the changes reported by the census and by the index show 30 States for which the index increased less than the census and 15 States for which the index increased more than the census. In the remaining 3 States - Ohio, North Dakota, and North Carolina, the increase was the same. However, considering the amount of the increase shown by the 2 measures, there were 38 States in which the difference did not exceed 5 percent, and only 5 States in which the difference was 10 percent or more. These include Arizona, Florida, Rhode Island, and New

---

1/ Differences in value concepts, source of data and method of weighting should be borne in mind in making such comparisons. The index of land values is based primarily on crop reporters' estimates of market value of farmland (including improvements) in their localities; these are made 3 times a year. Fixed weights, an average of acres in farms from the 1945 and 1950 Census, are applied to the average values for each crop-reporting district to obtain State, regional, and national averages for index purposes. Between 14,000 and 16,000 reports are available for the national index at each reporting date. Similar estimates also are obtained twice a year from farm real estate dealers and other local reporters by means of mail surveys.

Farm operators, who make up a sample of all operators, are requested to estimate the market value of their farms as a part of the regular agricultural census. In some States, part-time and residential farms probably have a greater weight in census estimates than in those obtained from crop reporters.

Jersey where census values are believed to reflect urban influences to a greater extent than does the index.

The 1954 census values, which are assumed to apply to November for purposes of comparison with the index, also provide new benchmarks for the estimates of total dollar value of farm real estate. Multiplying the average value for each State by the acres of land in farms gives a total value of $97.3 billion for November 1954. This is an average value of $84.00 per acre for the 1,159 million acres in farms. If the increases in the index from November 1954 to November 1955 are applied to census values at the State level, a total value of $101.8 billion is indicated for November 1, 1955 (table 2).

Indexes for Western States Revised Upward 2/

Substantial upward revisions for the 11 Western States were found to be necessary, as 1954 census data became available about mid-1955. The census showed increases in these States that were fully as great as in the rest of the country, whereas the indexes for the Western States were up much less. The basic data used for index purposes was reexamined and a new procedure was developed that gave annual changes for 1950-54 that were more nearly in line with census indications. The revised index for the Mountain States now shows an average increase of 29 percent between March 1950 and November 1954, whereas previously it was only 2 percent. The index for the Pacific region shows an average increase of 33 percent, compared with 7 percent published previously. However, because of differences in value concepts, no attempt was made to achieve complete agreement with the census, which shows somewhat larger increases than the revised index in most Western States. Additional research is planned to strengthen the basic data needed for the indexes of land values in these States.

Minor revisions were also made in the Western States from 1912 through 1950 in order to maintain comparability with the new higher level

---

2/ Crop reporters in the 11 Western States provide separate estimates of value for irrigated, dry farming and grazing land as of the reporting date and also for a year earlier. The ratio between these two weighted average values had been used to construct a link relative index for each class of land. Ratios of change for each class of land were then weighted to obtain a ratio of change for all farmland.

A review of these data for the Western States for the 1950-54 period indicated that a strong downward bias had developed from using the ratio of change based on the values reported "Now," and a "Year Ago." The cumulative changes shown by the "Now" values were found to agree much more closely with the change shown by the census and were adopted as the primary basis for the revised indexes for these States. The weighting procedure developed previously was retained, as well as the link relative method for computing the index. However, the dollar values for the 1947-49 base period were changed, thus necessitating revisions in the entire series by class of land back to 1926. This series will be published in a future issue of this publication.

Table 2 .- Farm Real Estate: Estimated total value and value per acre, 1954 Census and projected 1955. 1/

Geographic division	November 1954		November 1955		
	Value per acre	Total value	Increase from 1954	Value per acre	Total value
	Dollars	Million dollars	Percent	Dollars	Million dollars
New England	110.84	1,233	4	114.78	1,276
Middle Atlantic	135.64	4,055	5	143.33	4,285
E. North Central	172.80	18,766	6	182.60	19,829
W. North Central	82.40	23,459	5	87.38	24,875
S. Atlantic	98.70	9,699	5	103.82	10,202
E. South Central	77.34	5,970	4	80.32	6,201
W. South Central	64.08	13,520	2	66.17	13,961
Mountain	31.94	8,336	3	32.92	8,593
Pacific	160.12	12,250	3	164.99	12,623
United States	84.00	97,288	5	87.93	101,845

1/ Preliminary State values as reported by Census were weighted by acres in farms to obtain division and U. S. averages. Change shown by the index from November 1954 to November 1955 was applied to 1954 Census values, by States, to obtain a preliminary estimate of total value for November 1, 1955.

established for these States for 1950-54. These revisions do not affect the annual changes shown prior to 1950 to any significant extent.

Annual movements in the national index for 1950-54 were affected by the revisions made in the Western States. Because the peak in land values for these States now occurs in 1952, rather than in 1946 or 1951 and is at a higher level than shown previously, the national index for July 1952 is 2.5 percent higher. The decline from this peak to the low point in November 1953 and March 1954, which was previously estimated at 6 percent, is now shown as 4 percent. The subsequent rise to November 1955 is estimated as 7 percent, whereas the previous index showed an increase of 8 percent. The revised index for November 1955 was 137 (1947-49). Without these revisions, it would have been 132.

Basic data were also reexamined in the 37 Eastern States to determine where revisions should be made, within the limits indicated by data, to obtain closer agreement with the census. This review indicated a number of States in which the decline in 1953 and 1954 had probably been overestimated. New final values for index purposes were adopted for one or more reporting dates in 19 States between March 1951 and November 1954. These revisions were incorporated in the national index shown in table 3. The revised index series by States for 1950-55 are shown in tables 9 and 10.

Table 3.- Farm real estate: Index numbers of average value per acre, United States, 1912-55 1/

Year	Index 1912-14 = 100	Index 1947-49 = 100	Year	Index 1912-14 = 100	Index 1947-49 = 100	Year	Index 1912-14 = 100	Index 1947-49 = 100
	Percent	Percent		Percent	Percent		Percent	Percent
1912	97	57.7	1941	83	49.2	1949:		
1913	100	59.5	1942:			March	177	105.2
1914	103	61.2	March	89	53.2	July	174	103.6
1915	103	61.1	July	89	53.2	Nov.	172	102.1
1916	110	65.1	Nov.	91	54.4	1950:		
1917	118	70.3	1943:			March	174	103.3
1918	130	77.5	March	98	58.3	July	178	105.6
1919	142	84.5	July	100	59.4	Nov.	186	110.5
1920	173	102.8	Nov.	103	61.4	1951:		
1921	160	95.3	1944:			March	200	119.1
1922	140	83.5	March	113	66.9	July	209	124.3
1923	136	80.9	July	116	68.7	Nov.	214	127.1
1924	131	77.7	Nov.	118	69.9	1952:		
1925	128	76.1	1945:			March	221	131.5
1926	125	74.2	March	124	74.0	July	223	132.6
1927	120	71.1	July	128	76.2	Nov.	222	132.3
1928	117	69.9	Nov.	131	77.9	1953:		
1929	116	69.2	1946:			March	221	131.5
1930	114	68.0	March	141	83.7	July	218	129.9
1931	103	61.2	July	145	86.5	Nov.	215	127.7
1932	86	51.2	Nov.	150	89.1	1954:		
1933	70	41.9	1947:			March	216	128.4
1934	74	43.9	March	157	93.6	July	218	129.5
1935	77	45.5	July	160	95.3	Nov.	221	131.5
1936	80	47.5	Nov.	163	96.7	1955:		
1937	83	49.3	1948:			March	223	132.9
1938	84	49.7	March	170	101.2	July	228	135.6
1939	82	48.7	July	175	103.8	Nov.	231	137.4
1940	82	48.7	Nov.	178	105.6			

1/ Revised January 1956. Farmland and buildings as of March 1, except as indicated.

Reporters See Little Change Next 6 Months, Moderate Decline Next 5 Years [3]

As in previous surveys, reporters were asked whether they expected land values in their area to increase, change little, or decline during the 6 months following the date of the survey. Last October, two-thirds or more of the reporters in most areas expected to see little change in prices of farms of good or average quality. Of those who thought a change would occur, about twice as many saw a decline as saw an increase. Indications of an expected decline were somewhat stronger in the burley tobacco, western range livestock, and northwestern dairy areas than elsewhere.

Reporters also were asked their opinions concerning trends in prices in the next 5 years. Four choices were given: (1) increase further, (2) change little, (3) decline not more than 10 percent and (4) decline more than 10 percent. The proportion expecting an increase (21 percent) in the 5-year period was about double that for the 6-month period in most areas. A fourth or more of the reporters in California, Florida and in the north-western dairy and southern range livestock areas said they expected a further increase in the next 5 years. Their comments indicated that this expectation, particularly in California and Florida, was based largely on further population growth and its effect on the demand for land for nonfarm purposes.

Slightly more than a third of the reporters expected some decline in the next 5 years. Strongest indications that a decline was likely were reported in the northwestern wheat, eastern Corn Belt, and winter wheat areas where two-fifths or more held this opinion. About a third of these reporters thought the decline would be more than 10 percent.

---

[3] Much of the material in this report is based on the results of a mail survey of the Department's real estate reporters made last October. Separate questionnaires were sent to these groups of reporters: (1) Active farm real estate dealers; and (2) local bankers, lawyers, abstractors, county officials, local representatives of lending agencies, and a few farmers. Usable replies were received from about 6,500 reporters, most of whom have responded to previous surveys.

Several of the questions contained in the schedules dealt with opinions and attitudes concerning farmland that do not lend themselves to precise measurement. However, because such factors have become important market forces in the last 2 years, it seemed desirable to evaluate them to the extent possible by a mail questionnaire. As both groups of reporters are in daily contact with sellers and buyers, and are considered well informed as to market trends, reporters' opinions are believed to reflect those held rather widely within a community. The analysis was directed to reveal the extent to which opinions differ within and among major type-of-farming areas and to indicate the relative importance they attach to the various factors that affect market trends.

Factors Sustaining Land Values

During the last 2 years, the farmland market has shown a unique departure from the usual relationship between land values and farm income. No period of similar length in which values increased as farm income and commodity prices declined, can be observed in the preceding 40 years. There is no single explanation of this seeming paradox, but reasons can be found in two general areas. One concerns the beliefs and attitudes of people toward land, which have become strong market forces in sustaining demand and in limiting the acreage of land for sale. The other, and probably the most important, deals with the cumulative effects of advancing farm technology on the demand for a limited productive resource.

Certain attitudes and expectations appear to have helped to sustain the farmland market during the last 2 years. The most widely held of these beliefs is that farmland is still a safe and desirable long-term investment that offers prospects of capital appreciation as the national economy continues to expand. Sustained general business prosperity and optimistic long-range forecasts of population growth, national income, and industrial output have contributed to this belief. Both farmers and nonfarmers have come increasingly to consider land as a desirable tangible asset of intrinsic value which offers security in case of inflation or depression. They see unique advantages in land as a "storehouse" of wealth that offers more satisfactions than other investments, even though returns during the last year or two may have declined.

Such beliefs are not new, but they appear to be held more widely and more firmly because of the almost uninterrupted gains in national prosperity since the end of World War II. They were not so apparent while rising farm income provided the major support for increasing land values. During World War I, when land values advanced beyond the level that could be supported by current earnings, land was considered a desirable long-term investment because of its limited supply and a growing population. Much importance was attached to the closing of the western frontier at that time as assuring a steady rise in land values for an extended period.

Despite the similarity in the basis for rising land values in the two periods, none of the characteristics usually associated with a land boom can be found in the current situation. Credit has been extended and used with caution, purely speculative activity is rare, and the rates of both voluntary transfers and foreclosures are at or near an all-time low. Even so, many people may not have given sufficient attention to the contributions that technology is likely to make in the future toward meeting increased food requirements, both on the farm and in industry. Failure to appraise these probable production potentials can result in expectations of future earnings from land that may not be realized. The real basis for land values in the future, as in the past, must be the level that can be supported by long-term land earnings.

Additional Land Important Means of Achieving More Efficient Production

The cost-price squeeze has necessitated many adjustments in combinations of agricultural resources to achieve more efficient production. Some of these, such as additional fertilizer, better seed, and more efficient feeding and management practices, can be made without increasing the amounts of available fixed resources such as land, machinery, and equipment. However, many thousands of commercial farms are still below the optimum acreage for efficient use of available labor and equipment. In these situations, unit costs can often be reduced substantially by enlarging the operating unit. Both the farm purchase and rental markets provide an opportunity each year for a limited number of farmers to make such adjustments. Census data show, for example, that although the total number of farms declined sharply, the number of owners who rented additional land increased between 1950 and 1954. Sales data show a steady increase during this period in the proportion of all farm transfers that were for farm enlargement. In some areas, a third to two-fifths of all transfers have been for this purpose.

Because the total supply of land is fixed, and the market supply has not responded to higher prices, competition has developed among farmers for the limited number of farms and tracts that come on the market each year. Farmer buyers need little, if any, additional labor or equipment to operate more land. Consequently, they can often realize larger marginal returns from labor and equipment than can a buyer who considers the land as a complete farm unit. Farmers who already own land also are in a more favorable position to finance the purchase of additional land, either from savings from past farming operations, or by a mortgage on their total holdings.

Are Land Prices Too High?

Although no single measure is entirely adequate to determine the "real value" of farmland, several indicators may be used. Income from land expressed as a percentage of current market value is one such indicator. Historically, the rate of return, as determined by customary rental arrangements, has averaged about the same as the interest rate on farm mortgages. However, there have been extended periods when values were high in relation to land returns, and others when values advanced less than land income. The latter was characteristic of 1940-49 when the rate of return was well above the mortgage rate of interest. Land values increased more than net rents in 1950-53, and the rate of returns declined to about 5.5 percent for this period. The rate of return declined further in 1954 and 1955 as net rents and market values moved in opposite directions. According to tentative estimates, net return in 1955 was about 4.3 percent of market value, the lowest rate since 1938 and about the same as in 1910-14.

A measure of the purchasing power of land can be obtained by comparing the index of average value per acre with indexes of prices of other groups of commodities. If wholesale prices are used as a deflator, an acre of land in 1955 would buy about 22 percent more of such commodities than in 1947-49; in terms of consumers' prices, land prices were up 17 percent. If the index of prices paid by farmers for production and family living (parity index) is used, land prices were up 19 percent.

A similar comparison can be made between land prices and prices of farm products. As with wholesale prices and consumers' prices, such comparisons imply that a normal price relationship existed in the years selected as a base period. Although land prices advanced a little more than wholesale prices and consumers' prices between 1940 and 1947-49, land prices in 1947-49 were unusually low in relation to prices of farm products. About a fourth less farm products were needed to buy an acre of land in 1947-49 than in 1940. However, land prices continued to rise after prices of farm products turned downward in 1951. By 1955, land prices averaged 35 percent above 1947-49, whereas prices of farm products were 12 percent below that period. As a result, it took about 50 percent more farm products to buy an acre of land in 1955 than in 1947-49. Comparing price relationships in 1940 and 1955, however, shows that land prices in 1955 were only 16 percent higher than prices of farm commodities. (See chart, inside cover.)

Such price deflators do not take into account the increase in farm output that has resulted from technological advances. Although only a part of this increased output should be attributed to land, there are indications that market forces tend to allocate a substantial part of these gains to the land factor. Total farm output in 1955 was 12 percent higher than in 1947-49. If all of this increase in volume of output is attributed to land, then the value in 1955 of an acre of land capable of the same output as in 1947-49 would be up only 21 percent, instead of 35 percent as shown by the unadjusted index. If this adjusted level is compared with wholesale prices, land prices in 1955 were 9 percent higher, and in terms of consumer prices, they were 5 percent higher.

Last October, real estate reporters were asked whether they thought land prices were too high, about right, or too low in their areas considering present and expected levels of farm income and commodity prices. Although the distribution of replies varied widely in different areas, nearly half of the 6,300 reporters who replied thought land prices were too high, whereas only 8 percent stated that they were too low (table 4). Three-fifths or more of the reporters considered land prices too high in the western cotton, California specialty, northern range livestock, and eastern Corn Belt areas. However, a majority of those in the eastern cotton, spring wheat, western Corn Belt, and northeastern dairy areas thought that values were about right. In most areas, not more than 10 percent of the reporters thought values were too low.

Even though reporters' opinions may not agree with those held by actual participants in the land market, they reveal a general awareness that land prices in many areas have advanced more than may be justified

Table 4.- Farm Real Estate: Reporters' opinions regarding current levels of land values, selected type-of-farming areas and United States, October 1955.

Type-of-farming area 1/	Have land values continued to rise?		Current levels of land prices in relation to farm income		
	Yes	No	Too high	About right	Too low
	Percent	Percent	Percent	Percent	Percent
Northeast dairy	63	37	42	49	9
Lake States dairy	64	36	38	49	13
General farming	54	46	48	41	11
Eastern corn belt	78	22	67	27	6
Western corn belt	68	32	44	49	7
Spring wheat	72	28	27	61	12
Winter wheat	64	36	61	32	7
Eastern cotton	64	36	34	57	9
Central cotton	72	28	44	48	8
Western cotton	67	33	60	34	6
N. range livestock	68	32	62	30	8
S. range livestock	63	37	51	39	10
California specialty	90	10	62	36	2
United States 2/	66	34	48	44	8

1/ See map on page 25 for location.
2/ Includes 8 additional type-of-farming areas not listed above.

by current and prospective returns. Many people who are buying land probably are aware of this and hold similar opinions, but they are motivated by other considerations. Some classes of prospective farm buyers, notably beginning farmers, have seen initial capital requirements mount steadily in recent years. Many feel that they are at a prohibitive level. But a substantial part of the additional capital needed stems from the larger acreage required for an efficient farm, and the larger investment in machinery and equipment, rather than from the price of land. Also, the relationships between land prices and industrial wage rates suggest that prospective farm buyers can accumulate the initial capital from such sources at a somewhat more rapid rate now than in 1947-49. 4/

4/ Comparisons between industrial wages and land prices indicate that it would require fewer weeks of labor to equal the price of an acre of land now than in 1947-49. Average weekly earnings (after taxes) in all manufacturing concerns increased 49 percent in Michigan and 39 percent in Wisconsin between 1947 and 1954. The price of land in these States increased 33 and 22 percent, respectively, in this period. However, farm wage rates in the East North-central States increased only 32 percent while land values increased 39 percent.

To an established farmer, who frequently is free of mortgage debt, current land prices may not be too high if the purchase of an additional tract will improve his production efficiency. A price in excess of the expected long-term earnings from the tract as a separate unit can be justified if its purchase reduces overhead costs of labor and equipment, and increases his total earnings. In effect, a part of the expected earnings from the enlarged farm is capitalized into the value of the added tract.

Despite less favorable returns, farmland continues to attract nonfarmer buyers. Such demand is implemented by general business prosperity and is based on subjective considerations that are unrelated to the agricultural economy. A city worker who is seeking country living tends to view a small farm as insurance against future unemployment and a form of savings that yields more satisfaction than bank deposits or bonds. Such farms or parcels are bought with nonfarm income and current prices are not high compared with prices of city residences.

The purchase of a farm for eventual retirement is a strong motivation for many nonfarmer buyers. The assurance of social security or other retirement income enters into such considerations, as well as the enhanced amenities seen in country living as a result of modern farmhouse conveniences, good highways, and expanding nearby urban centers. Such factors play a dominant role in setting asking and offering prices, and the income-producing capacity of the farm is often a matter of indifference.

A nonfarmer investor is more likely to compare farmland with alternative investments and to appraise longer-term income prospects. But he may be willing to accept a lower rate of return from land because of the diversification and the tax advantages it offers. The desire to possess a tangible asset to pass on to children is frequently an additional consideration.

Volume of Sales Off Slightly

Although a quantitative measure of the rate of sales during 1955 is not yet available, the concensus of both real estate dealers and other local reporters was that fewer sales occurred in most areas in March to October 1955 than a year earlier. Two-fifths or more of the dealers in 11 major type-of-farming areas reported that they had made fewer sales than in the corresponding period of 1954. The proportion of dealers reporting fewer sales was highest in the burley tobacco, western Corn Belt, southern range livestock, and western cotton areas. However, up to one-fifth of the reporters in the California specialty, general farming, and Lake States dairy areas said they had made more sales.

Dealers in all areas were in general agreement that more sales effort was required to make a sale last March to October than a year earlier, and that it took longer. Major obstacles to making sales in most areas were those of locating buyers who had sufficient cash to meet lenders' requirements, and buyers' resistance to asking prices (table 5). Financing problems were reported to be less important in the eastern Corn Belt, western cotton, and range livestock areas than was buyer's resistance to asking prices. Lack of prospective buyers was ranked third or fourth in all areas.

Demand May Have Weakened Slightly

In most areas, reports from nondealers indicated that the number of people looking for farms in March to October 1955 may have been a little less than in the same period a year earlier. Nationally, 18 percent said the number had increased, whereas 31 percent said the number was less. The rest noted little significant change. Farm real estate dealers were asked whether the number of inquiries they had received for farms from March to October was greater, the same, or less than a year earlier. In general, the distribution of replies was similar to that shown by nondealers, except that the proportion noting little change was smaller in all areas. The clearest indication of more inquiries came from dealers in California, Florida, and the eastern and central cotton areas. But in the burley tobacco, southern range livestock, and Pacific Northwest areas, half or more of the dealers said they had fewer inquiries. Elsewhere, there was no clear indication that any change had occurred.

Dealers reported that from a third to half of their inquiries last summer and early fall came from farmers who already owned land (table 6). Tenants were the second most important source of inquiries in the Corn Belt, spring wheat, tobacco, and northern range livestock areas. In important agricultural areas, farmers (owners and tenants combined) accounted for from two-thirds to three-fourths of all inquiries. These proportions agree generally with those reported for actual sales made to various classes of buyers in recent years. The proportion of all inquiries that came from nonfarmers was generally highest in areas having high population densities, such as the Northeast, the Pacific Northwest, California, and Florida. Although it is difficult to make a clear distinction between the nonfarmer investor, and other nonfarmer buyers in many areas, survey results indicate that the investor-buyer accounted for not more than a fifth of all inquiries in the Corn Belt and wheat areas.

Comparisons between the prices asked by sellers and actual sales prices provide another measure of the strength or weakness of demand for land. Farm real estate dealers provided such information for the first time in the October survey for nearly 5,000 sales made in the preceding 7 months. Although one would normally expect sellers to set prices somewhat higher than they would be willing to accept, the spread between these two prices no doubt varies from year to year depending on supply-demand relationships. Such a comparison will not be possible until comparable data are available for 1956, but the spread appeared to be relatively small in 1955. Sales prices averaged less than 5 percent below asking prices in 7 type-of-farming areas, and not more than 10 percent below in 11 other areas. The spread between asking and sales prices was smallest in the

Table 5.- Sales of farms by real estate dealers and relative importance of obstacles to making sales of farm real estate, selected type-of-farming areas and United States, March-October 1955.

Type-of-farming area 1/	Number of farm sales, March-October 1955				Obstacles to making a sale 2/			
	Average per dealer	Compared with year earlier:			Lack of cash	Prices too high	Few buyers	Quality of land
		More	About same	Less				
	Number	Percent reporting			Relative importance			
Northeast dairy	3.6	16	41	43	1	2	3	4
Lake States dairy	6.0	19	39	42	1	2	4	3
General farming	7.0	21	38	41	1	2	3	4
E. corn belt	4.5	13	44	43	2	1	4	3
W. corn belt	4.7	10	40	50	1	2	4	3
Spring wheat	2.5	17	42	41	1	2	3	4
Winter wheat	3.5	10	46	44	1	2	3	4
E. cotton	2.9	10	58	32	1	2	3	4
C. cotton	4.7	16	41	43	1	2	4	3
W. cotton	4.5	17	37	46	2	1	3	4
N. range livestock	2.8	15	40	45	2	1	3	4
S. range livestock	2.8	10	42	48	2	1	3	4
Calif. specialty	5.0	25	52	23	2	1	3	4
United States 3/	4.6	15	43	42	1	2	3	4

1/ See map on page 25 for location.

2/ Dealers were asked to rank the following factors according to their relative importance as obstacles to making sales of farm real estate in their locality:

A. Buyers lack sufficient cash to meet lenders requirements.
B. Buyers feel asking prices are too high.
C. Few buyers looking for farmland at this time.
D. Buyers are seeking a better grade of farms than are available.

3/ Includes 8 additional areas not listed above.

Table 6 .- Demand for Farmland: Dealer's estimates of occupation of persons making inquiries to buy, selected type-of-farming areas and United States, March-October 1955.

Type-of-farming area 1/	Number of dealers reporting	Proportion of all inquiries from: Owner-operators	Tenants	Non-farm investors 2/	All others
	Number	Percent	Percent	Percent	Percent
Northeast dairy	197	27	12	31	30
Lake States dairy	140	32	28	18	22
General farming	204	32	19	29	20
Eastern corn belt	160	42	29	21	8
Western corn belt	282	43	38	14	5
Spring wheat	69	50	39	6	5
Winter wheat	91	53	17	22	8
Eastern cotton	49	38	15	34	13
Central cotton	68	41	18	25	16
Western cotton	108	45	13	28	14
N. range livestock	119	53	21	14	12
S. range livestock	57	50	17	17	16
California specialty	74	45	8	32	15
United States 3/	1,835	40	23	22	15

1/ See map on page 25 for location.

2/ It is difficult to make a clear distinction between nonfarmer investors and other nonfarmer buyers in such areas as the northeastern dairy, general farming, and eastern cotton. It seems likely that the proportion shown for nonfarmer investors is overstated in these areas.

3/ Includes 8 additional areas not listed above.

spring wheat, eastern tobacco, central and western cotton areas. The spread was widest in the eastern cotton, burley tobacco, and northeastern dairy areas. Part of this difference may be due to difficulties in accurately appraising the market price of individual properties in areas where physical features vary widely, or where nonfarm demand is a factor.

Number of Farms for Sale Remains at Low Level

As for the last several years, the below-normal number of farms on the market continued as a price-sustaining factor from March to October 1955. Despite strong demand and higher market prices for land, the number of farms offered for sale appears to have changed little or possibly declined, in most areas. Fewer farms on the market were observed most frequently by reporters in the Corn Belt, winter wheat, and western cotton areas.

A somewhat different indication of the supply situation was obtained from dealers who reported on the ease of obtaining listings last March to October compared with a year earlier. In general, their answers agreed with the observations of the nondealer group concerning the number of farms on the market. The number of listings per dealer ranged from a low of 6 farms or tracts in the eastern tobacco and cotton area to a high of 30 in the general farming and northwestern dairy areas. In these latter areas, it seems probable that many of the listings reported were small tracts for rural residences and part-time farms, rather than commercial farming units. Also, there is some duplication of listings as a result of cooperative arrangements among dealers, either informally or by membership in multiple listing services. From two-fifths to half of the dealers reported that it was more difficult to obtain listings last March to October than a year earlier; less than a fifth in most areas reported that it was easier to obtain listings (table 7).

Because reporters had commented so frequently in previous surveys concerning the small number of farms for sale, dealers were asked in the October survey to rank a number of possible reasons for this situation. The reason ranked first in all areas was that owners felt that farmland was a safe investment and a good hedge against inflation.

Ranking second in a majority of areas was the belief that owners were satisfied with present returns. Significantly, this reason dropped to third place in the eastern Corn Belt, winter wheat, western cotton, and range livestock areas. The amount of capital gains tax payable in event of sale was rated second in importance in these areas. Delay of sales, in order to qualify for Social Security benefits did not rank higher than fourth, except in the Lake States dairy area.

Nondealers' opinions concerning sales of farms: A somewhat different approach was taken in the questionnaire to the nondealer group of reporters. They were asked to assume that they owned an average farm in their community that they were not farming themselves, and that they could get the current market price for it. The question then was: "Do you think now is a good time to sell?" Following were a number of possible reasons for selling and for not selling. These reporters were asked to rate each reason as to relative importance in supporting their indicated decisions to sell or not to sell. This question presented a real situation to many reporters as they were landowners in addition to their regular occupations.

About half of the reporters said they would sell, slightly more than a fourth said they would not sell, and a fifth were undecided (table 8). Although differences in replies were not pronounced among areas, the inclination to sell was slightly above the national average in the northeastern dairy, western wheat, and tobacco areas. It was lowest in the spring wheat and California specialty areas.

Among the suggested reasons for selling, the two opinions held most widely were that prices were at or near their peak, and that land does not yield as good a return as other investments. Highest ranking was given

Table 7.- Farm Listings: Average number per dealer, ease of obtaining listings and reasons for limited number of farms for sale, selected type-of-farming areas and United States, October 1955.

Type-of-farming area 1/	Average number of listings per dealer, October 1	Ease of obtaining listings 2/			Reasons why more farms are not for sale 3/			
		More difficult	About same	Less difficult	Safe investment	Present returns	Capital gains tax	Social Security benefits
	Number	Percent reporting			Relative importance			
Northeast dairy	24	31	47	22	1	2	3	4
Lake States dairy	25	36	47	17	1	2	4	3
General farming	31	31	44	25	1	2	3	4
E. corn belt	12	58	30	12	1	3	2	4
W. corn belt	24	48	40	12	1	2	3	4
Spring wheat	10	36	40	24	1	2	3	4
Winter wheat	16	50	34	16	1	3	2	4
Eastern cotton	6	31	52	17	1	2	3	4
Central cotton	19	50	36	14	1	2	3	4
Western cotton	23	40	40	20	1	3	2	4
N. range livestock	15	32	44	24	1	2 & 3	2 & 3	4
S. range livestock	19	27	41	32	1	2 & 3	2 & 3	4
Calif. specialty	25	43	41	16	1	3	2	4
United States 4/	21.5	38	43	19	1	2	3	4

1/ See map on page 25 for location.

2/ March-October 1955 compared with the same period a year earlier.

3/ Dealers were asked to rank the following factors according to their relative importance as reasons why more farms are not for sale:

A. Owners feel that farmland is a safe investment and a good hedge against inflation.
B. Owners are satisfied with present returns.
C. Capital gains tax discourages sales.
D. Sales are delayed by the prospect of Social Security benefits.

4/ Includes 8 additional areas not listed above.

Table 8 .- Reporters' opinions regarding the sale of farm real estate, selected type-of-farming areas, and United States, October 1955.

Type-of-farming area 1/	Number of nondealers reporting	Is now a good time to sell farmland? 2/			Most important reasons for selling farmland		Most important reasons for not selling farmland	
		Yes	No	Not sure	First	Second	First	Second
		Percent			Reason 3/		Reason 4/	
Northeast dairy	453	65	16	19	a & b	c	A	B
Lake States dairy	316	53	28	19	b	a & d	A	B & C
General farming	725	58	22	20	b	a	A	C & B
E. corn belt	330	56	26	18	a	b	A	C
W. corn belt	610	46	32	22	a	b & d	A	C
Spring wheat	249	40	35	25	a	c & d	A	D
Winter wheat	209	46	33	21	a	b	A	B & C
Eastern cotton	304	46	31	23	b & d	a	A	B
Central cotton	257	49	30	21	a	b & d	A	D
Western cotton	229	50	30	20	b	a	A	B
N. range livestock	234	57	24	19	b & a	c & d	A	B
S. range livestock	161	47	36	17	a & b	d & c	A	B
Calif. specialty	120	31	43	26	b	c	A & B	C
United States 5/	4,752	52	28	20	a & b	d & c	A	B & C

1/ See map on page 25 for location.

2/ The question was worded as follows: "Suppose you owned an average farm in your community that you were not farming yourself and could get the current market price for it. Do you think now is a good time to sell?"

3/ Reporters were asked to rank each of the following reasons for selling according to their relative importance:

a. Land prices are at or near their peak and are likely to drop.
b. Land does not yield as good a return as other investments.
c. Real estate taxes are too high, and might go higher.
d. Too difficult to manage and to collect fair rentals.

4/ Reporters were asked to rank each of the following reasons for not selling according to their relative importance:

A. Land is a safe investment and a good hedge against inflation.
B. Land prices will hold up or increase.
C. Capital gains taxes would take too much of proceeds from sale.
D. Land pays better than other investments.

5/ Includes 8 additional areas not listed above.

current price considerations in the Corn Belt, wheat, tobacco, and central cotton areas. The opinion that returns from land were lower than from other investments ranked first in the general farming, northwestern dairy, and western cotton areas.

The opinion that land is a safe investment and a good hedge against inflation ranked first in all areas as a reason for not selling. Opinions differed sharply among areas as to the second most important reason for not selling. As was indicated by dealers' evaluations of owners' reasons for not selling, nondealers attached considerable importance to capital gains taxes as a deterrent to sales in the Corn Belt, winter wheat, tobacco, and California specialty areas. Market prices have advanced more in these areas than elsewhere, and practically all transfers would involve some capital gains. The reason ranked second in most other areas was that land prices would hold up or increase. In some of these areas, notably the northeastern and Lake States dairy areas, this expectation probably is based more on future demand for land for urban and industrial expansion, than on expected demand for farming purposes. In only two areas - spring wheat and central cotton - were there indications that the return from land compared sufficiently favorably with other investments to be an important reason for not selling.

Interrelations Between Supply of, and Demand for Land

Many of the same factors that have contributed to the strong demand for land in recent years have tended also to limit the number of farms for sale. Both owners and prospective buyers appear to hold the same general attitudes and opinions concerning the desirability of owning land. Owners have not been under financial pressure to sell because mortgage debt has been low in most cases and supplemental income from nonfarm sources has been available. The frequent observation in many farm communities that "land is in strong hands" implies a degree of indifference to current returns that restricts the market supply of land, even though higher prices could be realized.

This lack of response of supply to higher market prices that has been characteristic of the farmland market for the last several years can be traced to several factors which tend to make capital invested in land less mobile than other forms of capital investment. A record high proportion of all landowners are farm operators who have substantial amounts of additional capital invested in machinery, equipment, and livestock. Full-time farm operators are reluctant to liquidate these large investments in order to recover their real estate capital as it would require them to choose new occupations for which they may lack both training and inclination.

A nonoperating landowner has other considerations in deciding whether to liquidate his investment because of reduced returns. Probably the most important of these is the capital gains tax that is applicable to practically all transfers currently made. Unless a farm owner has an adjusted cost basis substantially above his original cost, the capital gains tax will cut heavily into the proceeds from the sale. Normally, such taxes are not assessed if a farm is passed on in the family by inheritance. The current market value of the property at the time of transfer becomes the new cost basis, and the question of capital gains can be postponed to some future date. It can be delayed indefinitely by the inheritance process.

A second consideration of greater importance in some areas than others is that of alternative investments. Although stocks and bonds are available to all landowners, frequently they are not considered because of a desire to hold more familiar and more tangible assets. Also, lower yields from stocks and bonds in the last year or two have made these investments less attractive in comparison with farmland. Consequently, many landowners who may have considered such alternatives still feel that farmland yields a satisfactory return. This may be due partly to a tendency to value farmland in terms of original cost, which in most instances would be less than the current value, and partly to the nature of the landlord's costs under prevailing share-renting arrangements. Typically, his costs include real estate taxes, building repairs and maintenance, and a share of such direct crop expenses as seed and fertilizer. As landlords do not share in many of the cost items that are paid by farm operators, the cost-price squeeze has been less severe on the nonoperating landowners. 5/

5/ Records for a sample of farms operated under crop-share leases in northern Illinois, as published in Illinois Farm Economics for January 1956, showed that in 1954 tenant's cash expenses amounted to 76 percent of his cash receipts; the landlord's expenses were only 36 percent of his cash income. The relationships were about the same in 1952 and 1953 as in 1954. If the ratio of expenditures to cash income is assumed to average 75 percent for the tenant and 35 percent for the landlord, a 5-percent increase in cash expenses for both parties (with no change in income) would reduce the tenant's net income by 15 percent, and the landlord's income by only 3 percent.

Table 9. - Farm real estate: Index numbers of average value per acre, by States, 1950-1955 1/

1947-49 = 100

	1950			1951			1952			1953			1954			1955		
	March	July	Nov.	March	July	Nov.	March	July	Nov.	March	July	Nov.	March	July	Nov.	March	July	Nov.
Maine	95	97	99	98	98	102	103	105	109	111	110	108	109	110	107	104	107	109
New Hampshire	97	98	100	101	103	104	105	108	108	108	108	105	105	104	103	105	105	108
Vermont	101	103	104	106	110	112	113	113	113	113	112	109	107	107	105	104	105	108
Massachusetts	99	103	105	107	109	110	112	113	113	112	110	108	106	107	106	106	107	109
Rhode Island	101	102	105	109	111	111	111	111	111	111	111	111	109	109	109	108	109	112
Connecticut	100	101	104	107	109	109	110	111	111	111	111	109	109	108	110	111	111	115
New England	99	101	102	104	106	108	109	110	111	111	111	108	108	108	106	106	107	110
New York	105	106	108	110	116	118	121	122	124	121	118	117	118	118	119	119	120	122
New Jersey	103	101	104	108	114	116	122	123	124	126	127	128	129	130	130	132	134	138
Pennsylvania	102	104	107	117	123	126	129	130	130	129	129	129	130	130	131	134	138	142
Mid. Atlantic	103	105	107	113	119	121	125	126	127	125	124	123	124	125	126	127	130	132
Ohio	101	103	107	120	124	128	134	138	137	134	134	132	132	133	136	141	144	148
Indiana	103	105	112	123	126	130	135	136	136	138	136	135	137	140	144	147	150	154
Illinois	108	109	117	127	130	133	138	141	143	140	137	136	139	141	144	142	148	149
Michigan	100	103	105	115	119	120	123	126	125	126	126	126	128	129	130	133	136	141
Wisconsin	101	102	106	112	117	118	119	117	118	119	114	113	113	111	112	113	114	117
E. N. Central	104	105	111	121	125	128	132	134	134	134	131	130	132	133	136	137	141	144
Minnesota	109	112	118	127	131	135	137	137	136	134	134	128	127	129	133	135	141	147
Iowa	108	110	116	125	129	132	132	132	132	128	126	124	125	127	130	133	136	137
Missouri	106	108	113	124	129	132	138	134	134	132	130	123	124	125	129	130	131	131
North Dakota	107	105	110	116	122	125	133	131	130	136	136	134	134	134	133	132	138	142
South Dakota	111	114	118	127	133	138	145	144	143	140	140	135	135	135	138	139	138	142
Nebraska	104	106	113	123	127	129	136	137	136	136	130	127	127	128	132	134	137	137
Kansas	106	107	111	119	124	125	131	130	130	133	133	125	125	125	125	129	132	136
W. N. Central	107	109	114	123	128	131	135	134	134	133	131	127	127	128	131	133	136	138
Delaware	98	100	103	106	110	113	121	121	122	123	124	123	124	125	128	130	132	132
Maryland	99	102	106	109	113	116	121	124	128	129	130	129	129	132	135	136	136	139
Virginia	101	102	103	115	122	124	129	119	133	134	135	129	129	130	133	131	136	142
West Virginia	95	96	98	105	106	110	112	115	114	113	112	109	107	108	109	110	110	114
North Carolina	106	104	109	117	124	127	132	135	136	138	136	133	133	136	138	138	144	147
South Carolina	97	96	100	108	113	116	117	118	118	119	119	118	120	120	121	121	121	124
Georgia	99	98	103	109	116	123	128	132	135	136	135	136	134	136	136	138	138	141
Florida	97	101	106	109	113	115	120	121	122	123	126	129	134	137	139	141	141	146
South Atlantic	103	101	105	112	118	121	125	128	129	131	130	129	129	131	133	133	136	140
Kentucky	102	102	107	116	123	127	128	133	129	123	122	116	116	117	115	115	119	119
Tennessee	103	105	109	115	120	121	124	124	123	125	122	116	116	116	117	118	118	121
Alabama	101	105	109	113	120	122	125	124	126	131	130	126	125	124	124	123	127	131
Mississippi	106	105	109	122	128	130	134	133	135	139	137	135	135	135	135	137	139	140
E. S. Central	103	104	108	116	122	125	127	129	128	128	126	121	121	121	121	121	124	126
Arkansas	105	105	108	120	125	126	131	134	132	128	127	125	124	124	125	126	128	129
Louisiana	105	106	107	111	115	116	120	124	128	130	130	130	132	134	137	138	139	142
Oklahoma	108	111	115	127	132	133	138	139	137	133	132	129	128	130	134	136	137	140
Texas	102	104	110	121	127	130	139	139	136	134	132	132	133	134	135	137	141	139
W. S. Central	103	105	111	121	127	130	137	138	136	133	132	131	132	133	135	136	139	138
Montana	104	111	115	127	131	139	141	142	144	144	142	141	142	141	142	146	149	152
Idaho	107	108	114	125	127	132	134	140	139	138	138	137	136	137	141	142	141	144
Wyoming	100	118	120	118	124	123	129	131	129	128	124	123	123	121	122	123	122	124
Colorado	104	110	114	121	130	132	133	134	132	130	128	125	128	127	126	128	130	127
New Mexico	107	109	112	123	134	137	138	137	137	136	133	133	135	134	134	136	138	137
Arizona	99	100	106	113	122	124	127	134	135	136	134	133	135	138	137	137	139	141
Utah	107	110	119	121	128	132	134	138	137	137	136	132	133	136	137	137	138	136
Nevada	99	103	110	114	119	124	129	130	129	129	130	132	137	138	139	139	139	139
Mountain	104	109	114	122	128	132	134	137	136	136	134	132	134	134	134	136	137	138
Washington	101	107	112	117	122	127	127	129	132	134	133	132	132	135	136	137	140	142
Oregon	99	106	107	114	119	118	121	122	126	127	123	123	123	123	127	128	129	129
California	94	102	105	108	118	119	123	123	124	125	123	122	122	124	127	128	130	131
Pacific	96	103	106	110	118	120	123	124	126	127	125	124	124	126	128	130	131	132
UNITED STATES	103	106	111	119	124	127	132	133	132	132	130	128	128	130	131	133	136	137

1/ Revised January 1956. All farmland with improvements as of March 1, July 1, and November 1. Figures for November 1955 are preliminary.

Table 10. - Farm real estate: Index numbers of average value per acre, by States, 1950-1955 1/

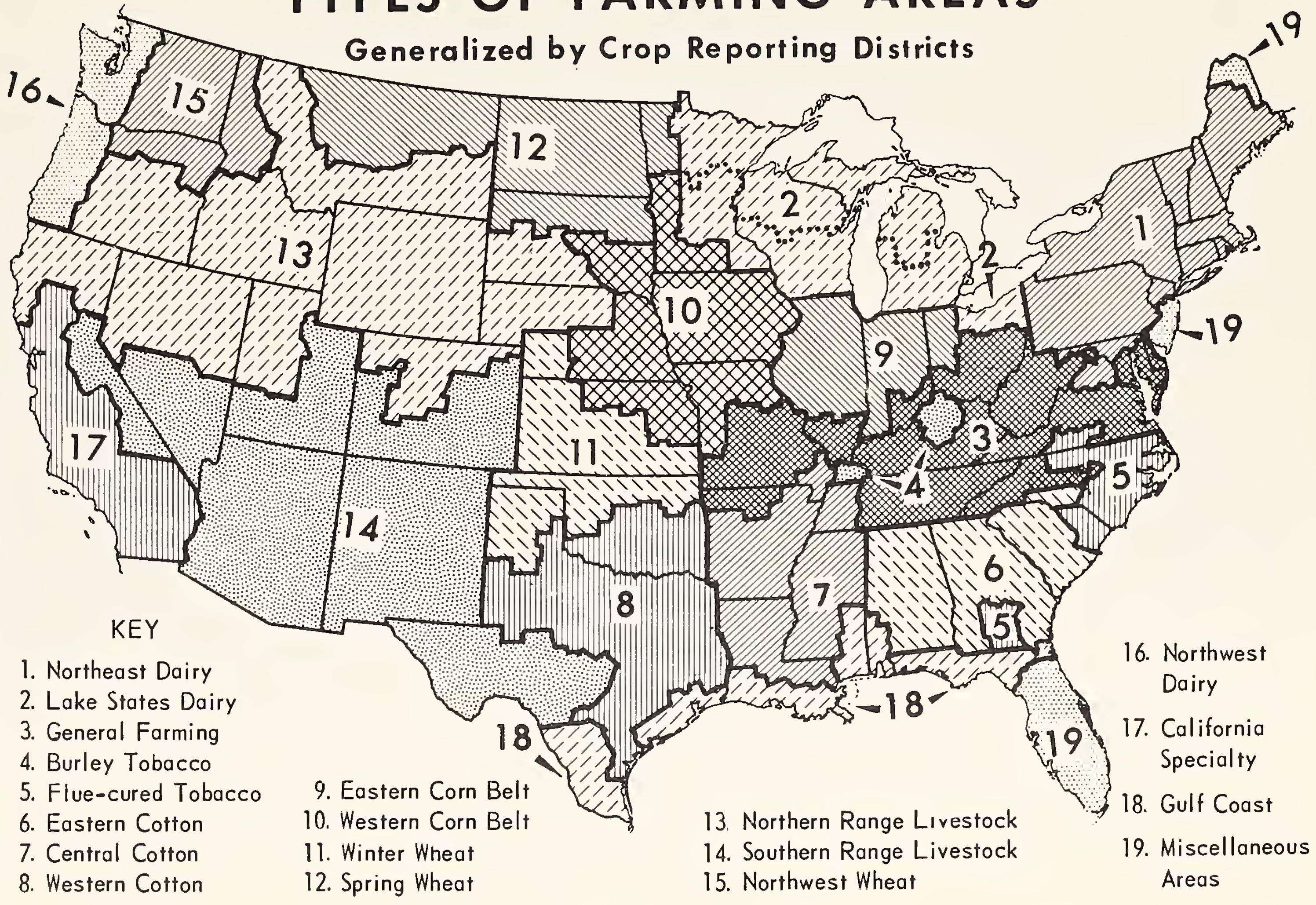
1912-14 = 100

	1950			1951			1952			1953			1954			1955		
	March	July	Nov.	March	July	Nov.	March	July	Nov.	March	July	Nov.	March	July	Nov.	March	July	Nov.
Maine	132	135	138	137	137	141	144	145	152	154	153	150	152	153	149	145	148	151
New Hampshire	136	138	140	142	145	146	147	152	152	152	152	147	147	146	144	147	147	152
Vermont	176	179	181	185	191	195	196	197	197	196	195	190	186	186	183	181	184	188
Massachusetts	152	157	160	163	167	168	170	173	172	171	169	165	163	163	161	161	163	166
Rhode Island	184	186	192	199	203	203	203	203	203	203	203	202	200	200	198	197	200	204
Connecticut	191	193	199	205	208	208	210	212	212	213	212	208	209	207	210	213	214	220
New England	157	160	163	166	169	171	173	175	177	177	176	172	171	172	170	169	171	175
New York	152	154	156	159	168	171	175	177	179	175	171	170	170	171	173	172	174	176
New Jersey	194	191	197	204	216	220	231	232	234	238	240	241	243	245	246	249	254	260
Pennsylvania	157	160	165	180	189	194	200	201	201	199	199	199	200	200	202	206	213	219
Mid. Atlantic	157	160	163	172	181	185	191	192	193	191	189	188	189	190	191	194	198	202
Ohio	167	171	178	200	206	212	224	230	227	223	223	219	220	222	226	234	239	246
Indiana	174	177	189	208	214	219	228	230	230	233	230	227	232	236	243	249	254	260
Illinois	162	163	176	190	195	200	206	212	214	210	205	204	209	211	215	213	221	224
Michigan	198	203	207	228	235	236	243	249	248	249	249	248	252	254	257	263	268	278
Wisconsin	145	146	153	162	168	170	172	168	169	172	164	162	162	160	161	162	164	169
E. N. Central	166	168	178	194	200	204	211	214	215	214	210	208	211	213	217	219	225	230
Minnesota	169	174	183	197	204	210	212	212	211	207	207	199	196	200	206	210	218	228
Iowa	158	161	169	183	188	193	194	193	194	188	184	182	183	186	191	195	199	201
Missouri	124	127	133	145	151	154	162	157	157	154	152	144	145	146	151	153	154	154
North Dakota	115	113	118	125	132	134	143	141	140	146	147	145	144	144	143	142	149	152
South Dakota	97	99	103	111	116	121	126	126	125	122	122	118	117	117	121	121	120	123
Nebraska	130	132	141	154	158	161	169	170	170	169	162	159	159	159	165	167	171	171
Kansas	169	170	176	189	197	198	208	207	207	211	211	198	198	198	199	205	210	217
W. N. Central	142	145	152	164	170	174	179	179	178	177	174	168	169	170	174	177	181	184
Delaware	158	161	167	170	178	183	195	195	197	199	201	198	199	202	206	210	213	213
Maryland	199	204	213	219	227	233	243	248	257	259	261	259	259	266	270	273	274	279
Virginia	235	236	239	267	283	288	300	275	309	310	314	299	300	303	309	305	315	329
West Virginia	139	141	144	155	156	161	164	169	167	165	164	159	157	158	159	161	162	168
North Carolina	341	334	352	377	401	408	425	435	439	446	437	427	428	438	446	445	465	474
South Carolina	203	201	209	225	236	241	244	246	246	249	249	247	249	250	252	253	253	258
Georgia	181	179	187	200	212	225	233	241	247	249	247	248	246	248	249	252	253	258
Florida	226	237	248	254	263	269	280	282	285	286	294	301	313	320	324	328	330	340
South Atlantic	230	224	234	250	263	270	279	286	289	291	291	286	288	293	296	297	304	311
Kentucky	272	274	286	310	328	341	344	355	346	330	327	312	312	313	309	308	320	319
Tennessee	265	271	281	295	309	311	319	318	315	321	313	299	298	298	302	303	305	311
Alabama	260	270	279	290	308	313	321	320	323	337	334	322	320	318	318	315	325	335
Mississippi	244	242	251	282	295	299	309	308	311	320	317	312	312	312	312	317	320	324
E. S. Central	263	266	277	297	312	319	326	329	326	327	323	311	310	310	309	310	317	321
Arkansas	247	249	256	284	294	297	309	316	312	302	299	295	293	293	294	297	302	305
Louisiana	221	223	226	235	243	246	253	261	270	274	275	275	279	283	289	291	294	300
Oklahoma	202	208	216	238	247	249	258	260	256	250	247	241	240	244	251	254	257	261
Texas	184	188	199	218	229	236	251	252	246	241	239	238	240	243	245	248	254	250
W. S. Central	192	196	206	226	236	242	255	257	253	247	245	243	245	248	250	254	259	258
Montana	132	142	147	161	167	177	180	181	183	184	180	179	181	179	180	186	189	193
Idaho	230	232	246	270	274	285	290	302	300	298	297	295	293	295	303	307	304	310
Wyoming	183	215	219	216	226	226	236	239	236	235	227	226	225	222	224	225	223	226
Colorado	161	170	176	187	201	204	206	207	205	201	199	194	198	197	196	198	202	197
New Mexico	232	237	243	268	290	297	300	298	298	296	290	289	294	292	291	295	300	297
Arizona	218	221	234	250	269	274	282	296	299	302	298	295	300	305	304	304	308	312
Utah	179	184	198	203	213	221	224	230	229	228	228	221	223	227	229	229	230	228
Nevada	132	136	147	152	159	166	172	173	173	172	174	177	183	184	185	186	186	186
Mountain	175	183	192	205	216	222	226	230	230	228	225	223	225	225	227	229	231	232
Washington	210	223	233	244	253	265	264	269	275	279	276	275	274	280	283	285	290	296
Oregon	176	187	189	201	210	209	214	216	222	224	217	217	218	219	225	226	227	229
California	220	238	246	253	276	279	289	289	291	293	289	287	287	292	297	301	304	307
Pacific	212	228	236	244	262	266	273	275	278	281	277	275	274	279	284	287	290	293
UNITED STATES	174	178	186	200	209	214	221	223	222	221	218	215	216	218	221	223	228	231

1/ Revised January 1956. All farmland with improvements as of March 1, July 1, and November 1. Figures for November 1955 are preliminary.

TYPES OF FARMING AREAS

Generalized by Crop Reporting Districts



KEY

1. Northeast Dairy
2. Lake States Dairy
3. General Farming
4. Burley Tobacco
5. Flue-cured Tobacco
6. Eastern Cotton
7. Central Cotton
8. Western Cotton
9. Eastern Corn Belt
10. Western Corn Belt
11. Winter Wheat
12. Spring Wheat
13. Northern Range Livestock
14. Southern Range Livestock
15. Northwest Wheat
16. Northwest Dairy
17. California Specialty
18. Gulf Coast
19. Miscellaneous Areas

U. S. DEPARTMENT OF AGRICULTURE

NEG. 54(2)-110 AGRICULTURAL RESEARCH SERVICE